

HCS SB 284 -- SALES TAX EXEMPTION FOR CERTAIN DRUGS, BOARD OF PHARMACY, AND WHOLESALE DRUG DISTRIBUTORS

SPONSOR: Wasson (Sater)

COMMITTEE ACTION: Voted "do pass" by the Committee on Health Care Policy by a vote of 10 to 1.

This substitute authorizes a sales tax exemption for certain drugs and medical equipment and changes the laws regarding the disciplinary authority of the Board of Pharmacy and the regulation of wholesale drug distributors.

SALES TAX EXEMPTION FOR CERTAIN DRUGS AND MEDICAL EQUIPMENT

A state and local sales and use tax exemption is authorized for diabetic accessories and supplies or any medical equipment, supplies, or devices which are purchased or rented upon the order of a physician or that are otherwise paid for by insurance, the federal Medicare Program, or the Missouri Medicaid Program. All over-the-counter or nonprescription drugs which are prescribed by a practitioner are also added to the list of exempted items. Currently, these are exempt if they are for an individual with a disability.

BOARD OF PHARMACY

The Board of Pharmacy within the Department of Insurance, Financial Institutions and Professional Registration is allowed to refuse to issue a certificate of registration, permit, or license to an applicant for a pharmacy or drug distributor license if the designated pharmacist-in-charge, manager-in-charge, or any office owner, manager, or controlling shareholder of the applicant has committed an act which would be grounds for discipline.

WHOLESALE DRUG DISTRIBUTORS

The substitute defines "legend drug" as it relates to regulating wholesale drug distributors as any drug or biological product that is subject to certain federal laws and required to be dispensed by prescription only or used by practitioners only excluding any drug being used for conducting a clinical trial or investigation.

The substitute contains an emergency clause for the provisions regarding wholesale drug distributors.

FISCAL NOTE: Estimated Net Cost on General Revenue Fund of Unknown in FY 2012, FY 2013, and FY 2014. Estimated Net Cost on

Other State Funds of Unknown in FY 2012, FY 2013, and FY 2014.

PROPONENTS: Supporters say that the bill will eliminate the additional registration requirement for some companies to distribute prescription drugs in the state and will encourage more companies to do business in Missouri. The bill is the result of a hospital pharmacy inspection that uncovered an unregistered distributor and will help solve the problem.

Testifying for the bill were Senator Wasson; Washington University; Missouri Hospital Association; and Missouri Pharmacy Association.

OPPONENTS: There was no opposition voiced to the committee.